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June 27, 1996

To: Delta Protection Commission

From: Margit Aramburu, Executive Director

Subject: Article on the 1996 Farm Bill  
(For Commission Information Only)

Attached for your information is a brief article on the 1996 Farm Bill from the Spring 1996 Issue of American Farmland, the magazine of the American Farmland Trust.

Attachment

1996

# FARM BILL

## A TRIUMPH FOR CONSERVATION

**FIRST-EVER  
FEDERAL  
FUNDING  
APPROVED  
FOR STATE  
FARMLAND  
PROTECTION  
PROGRAMS**

*by Tim Warman*

**I**n a major success for American Farmland Trust and other conservation groups, a farm bill with solid agricultural conservation measures has been approved by Congress and signed into law by President Clinton. The many months of intensive work to protect and enhance the conservation gains of the past decade have paid off. The new bill features a wide range of environmentally sound policies and programs, including—for the first time ever—federal funds for state and local farmland protection programs.

U.S. Senator Richard Lugar, chairman of the Senate Agriculture Committee, declared that the farm bill, entitled “The Federal Agricultural Improvement and Reform Act of 1996” or FAIR, “changes agricultural policy more fundamentally than any law in 60 years.” House Agriculture Committee Chairman Pat Roberts added, “This bill strengthens farmers’ commitment as stewards of the soil by greatly enhancing environmental and conservation practices.”

FAIR’s Farmland Protection Fund represents a giant step forward in promoting farmland conservation nationwide. It authorizes the agriculture secretary to pay out up to \$35 million over a three-year period in federal matching funds to qualified state and local farmland protection programs.

Other conservation provisions in the bill include the authorization of new enrollments in the Conservation Reserve Program, creation of an Environmental Quality Incentives Program for crops and livestock and establishment of a National Natural Resources Conservation Foundation and new rural development initiatives, as well as wildlife habitat and forest conservation programs (see “Guide,” p. 8).

The bill’s highly publicized “Freedom to Farm” provisions, which scrap commodity price supports in favor of fixed payments that decrease over a seven-year period, represent a major shift in U.S. agricultural policy, one having great potential to benefit the environment. Because farmers will have

## COMMODITY PROGRAM REFORM (TITLE I)

### AFT'S POLICY PREDICTIONS AND PROPOSALS

### FINAL FARM BILL

Cap spending on price and income support.	Annual spending cap that declines over seven years.
Set deficiency payments and price supports within budget caps.	Included.
Replace commodity base with whole-farm base to increase flexibility and simplify program design.	Included.
Eliminate annual set-asides and paid diversions.	Included.
Retain conservation compliance.	Included, but weakened; U.S. Department of Agriculture will have greater flexibility to reduce penalties.
Test new ideas through pilot programs.	Wind erosion pilot, on-farm research program, conservation farm option, grazing lands conservation initiative all included.

## CONSERVATION RESERVE AND LAND PROTECTION PROGRAM REFORM (TITLE III)

Restructure the Conservation Reserve Program.	CRP reauthorized through the year 2002 with up to 36.4 million acres. New "early-out" authority will facilitate return of good land to production.
Reduce CRP cost by targeting base-transfer, limited economic use and longer-term contracts.	U.S. Department of Agriculture has authority to run a program to maximize environmental benefits per dollar.
Extend and reform the Wetlands Reserve Program and consolidate it with CRP.	WRP extended, but reforms reduce use of easements. New mitigation banking program merges CRP and wetlands protection. New Floodplain Easements Program and Flood Risk Reduction Program expand wetland protection tools.
Extend and reform the Farms for the Future Act.	\$35 million Farmland Protection Program funded with Commodity Credit Corporation funds.
Establish a Resource Conservation Fund to provide matching grants to state partners.	State technical committees are expanded. National Natural Resources Conservation Foundation is established. A Fund for Rural America is created that allocates \$300 million for research in "sustainable" agriculture and rural development.

## NATURAL RESOURCE MANAGEMENT PROGRAM REFORM

Encourage progress toward integrated farm plans.	Conservation Farm Option: \$197.5 million for 10-year voluntary contracts for a conservation plan that addresses soil, water and wildlife habitat concerns.
Delegate and share responsibility, challenge and reward performance and embrace innovation.	Limited. Resource Conservation Development Program reauthorized.
Consolidate existing cost-share programs.	Environmental Quality Incentives Program: \$1.32 billion over seven years. Consolidates the Agricultural Consolidation Program, Colorado River Basin Salinity Control Program, Water Quality Incentives Program and the Great Plains Conservation Program.
Authorize new incentives.	Everglades Ecosystem Restoration Program, Grazing Lands Conservation Initiative and Forest Incentives Program.

*AFT members may wish to review the Spring 1995 special issue of American Farmland, "Making Sense of the Farm Bill," for more details on these policy recommendations.*

complete planting flexibility, they likely will use more diverse cropping patterns and fewer pesticides and, by growing crops best suited to the land and climate, reduce erosion and water pollution.

"The farmland protection provisions in this farm bill would not have survived without the extraordinary leadership of U.S. Senator Rick Santorum

of Pennsylvania and U.S. Representatives Sam Farr of California and Wayne Gilchrest of Maryland, who sponsored the legislation, and the bipartisan statesmanship of U.S. Senators Patrick Leahy of Vermont and Richard Lugar of Indiana," says AFT President Ralph Grossi. "Senator Barbara Boxer of California and Representatives Gary Condit of

California and Constance Morella of Maryland were key supporters in the committee and floor debates.”

Governors Dean Carper of Delaware, Howard Dean of Vermont, William Weld of Massachusetts, Christine Todd Whitman of New Jersey and Pete Wilson of California sent letters to House-Senate conferees urging passage of the conservation provisions. “I know this had tremendous impact,” Grossi says, also citing U.S. Secretary of Agriculture Dan Glickman and Deputy Secretary of Agriculture Richard Rominger for their far-reaching commitment to strong conservation provisions.

Concerned AFT members worked aggressively to convince Congress to pass the bill’s farmland protection provisions. As Ralph Grossi notes, “Hundreds of our members forwarded copies of letters they had sent to the House and Senate. We believe many more wrote or phoned Congress that we have not yet even heard about.” AFT thanks all members for their support.

We did it! Now it’s on to the next phase: making sure that these exciting programs are properly implemented. □

*Tim Warman is AFT’s director of federal policy.*

## **GUIDE TO CONSERVATION PROVISIONS IN THE FEDERAL AGRICULTURAL IMPROVEMENT AND REFORM ACT OF 1996 (“FAIR”)**

**FARMLAND PROTECTION FUND** The most far-reaching federal program to date for farmland protection, authorizing \$35 million for state and local farmland protection programs.

**NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION** The farm bill authorizes the establishment of a nonprofit, private foundation to sponsor and advance innovative solutions for conservation and environmental problems through effective partnerships with state, local and private organizations. The foundation, to be administered by a nine-member board of trustees, will be funded at \$1 million annually from fiscal 1997 to 1999.

**CONSERVATION RESERVE PROGRAM** The CRP pays farmers to remove highly erodible land from production. FAIR reauthorizes the CRP with a cap of 36.4 million acres. New enrollments will be accepted, provided the established cap is not exceeded. The CRP is a significant component of the conservation title, with early projections indicating annual funding could exceed \$1.5 billion.

**WETLANDS RESERVE PROGRAM** The WRP pays farmers to restore wetland areas on farm acreage. It is reauthorized through 2002 with a cap of 975,000 acres. The program is now divided into three parts with one-third of the land to be enrolled in permanent easements, one-third in easements of 30 years or more and one-third in cost-share agreements.

**ENVIRONMENTAL QUALITY INCENTIVES PROGRAM** EQIP, a new program, provides financial, technical and educational assistance to producers struggling with the most serious soil conservation and water quality problems. The program will receive \$200 million annually through 2002 except for fiscal 1996 when \$130 million is authorized. The secretary of agriculture will determine eligibility requirements.

**FUND FOR RURAL AMERICA** FAIR authorizes \$300 million over three years for research and rural development activities. The funds for rural development may be used only for activities for which the U.S. Department of Agriculture received an appropriation in fiscal 1995. On the research side, the bill establishes a separate grant program and defines for what purpose the grants will be awarded.

**FLOOD RISK REDUCTION CONTRACTS** Farmers owning frequently flooded acreage that is farmed by contract under the Agricultural Market Transition Act may receive up to 95 percent of transition payments and projected crop insurance payments in lieu of market transition payments. Producers must comply with conservation compliance provisions and forgo future disaster payments.

**WILDLIFE HABITAT INCENTIVES PROGRAM** Cost-sharing assistance is provided to landowners for developing and implementing management practices to improve wildlife habitat. Funding totaling \$50 million for fiscal 1996 through 2002 is earmarked from CRP funds.

**GRAZING LANDS CONSERVATION INITIATIVE** Provides technical and educational assistance to landowners on the nation’s 642 million acres of private grazing lands. Funding is authorized at \$20 million in fiscal 1996, \$40 million in fiscal 1997 and \$60 million in fiscal 1998 and each subsequent fiscal year through 2002.

**EVERGLADES** To improve the environment of the Everglades, \$200 million is made available for land purchases. An additional \$100 million of federal land in Florida may be sold or exchanged—provided it is not environmentally sensitive or part of a military base—to further protect the Everglades.